

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 26, 1996

SUBJECT: **SB 3192 - HB 3201**

This bill, if enacted, will:

- 1) more clearly define *health club*, establishing not-for-profits as now being covered by the act;
- 2) eliminate the exemption based on the sales tax exemption;
- 3) allow a *health club* to charge for monthly installments if not made by electronic transfer;
- 4) allow the consumer to extend the contract after the initial obligation has been met on a month to month basis with a cancellation provision; and
- 5) strengthen penalties for violations of the act.

The fiscal impact from enactment of this bill is estimated to be a one-time increase in state expenditures of \$4,500 and an increase in recurring state expenditures of \$25,000 for one position and related costs.

Enactment of this bill is also estimated to result in an increase in first year state revenues of \$16,250 (new registrations of 65 health clubs at \$250 each).

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive style with a large, stylized initial "J".

James A. Davenport, Executive Director